

Decision Maker: Renewal and Recreation Portfolio Holder for Pre-decision Scrutiny by the Renewal and Recreation PDS Committee

Date: 13 November 2012

Decision Type: Non-Urgent Executive Non-Key

Title: TOWN CENTRES DEVELOPMENT PROGRAMME UPDATE

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Ward: All Wards

1. Reason for report

1.1 To update Members of progress on delivering the Town Centres Development Programme.

2. **RECOMMENDATION(S)**

The Renewal and Recreation PDS Committee and Portfolio Holder are asked to note this report.

Corporate Policy

1. Policy Status: Existing Policy: Bromley Town Area Action Plan
 2. BBB Priority: Vibrant, Thriving Town Centres:
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Financial

1. Cost of proposal: £ None for the purposes of this report
 2. Ongoing costs: Non-Recurring Cost:
 3. Budget head/performance centre: Renewal
 4. Total current budget for this head £219k and £6.667m
 5. Source of funding: Local Public Sector Agreement Reward Grant (LPSA), earmarked reserve for Town Centre Development and capital programme
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Staff

1. Number of staff (current and additional): 7
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough-wide
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? no
2. Summary of Ward Councillors comments: No Comments Received

3. COMMENTARY

Development Programme

3.1 Attached as **Appendix 1** is an update on the progress that has been made in delivering each of the individual projects that make up the Development Programme. Members are asked to note the following key milestones that have been achieved since the last update report to the R&R PDS.

- Members at the Executive meeting on 24th October 2012 agreed, following the successful conclusion of the Pre-Qualification stage of the procurement process, to invite **Muse Developments, Barratt Developments and Kier Property** to proceed to the next stage of the selection process and submit outline proposals. The three bidding companies are nationally recognised developers and all three companies are capable of addressing the necessary design and development, financing and funding requirements to undertake a scheme of the scale and nature of Churchill Place.
- Bromley North Station (Site A): A pre-feasibility report was received by the Council on the 10th September setting out 3 main options for extending DLR (Map attached as Appendix 2).

Option 1: Bromley North via Catford & Downham

Option 2: Bromley North via Catford, Whitefoot Lane & Grove Park

Option 3: Bromley North via Hither Green & Grove Park

The report is current being considered by the Council and a report is being prepared for the appropriate Committee.

- Orpington Public Realm. The block paving initially installed in carriageway areas of the High Street in July 2010 has deteriorated due to the high volume of buses using this route, with paving in a number of areas become loose or dislodged. The Council's term contractor Conway's are currently working with the material supplier on an appropriate solution. Given that that the area where the failure has occurred is a high amenity area the Council will be demanding that a high quality granite, such as proposed in Bromley North Village, is considered.

Churchill Place (Site G)

3.2 The formal Notice commencing the procurement process was published in the Official Journal of the European Union on 2nd July 2012. This stated that the London Borough of Bromley would be undertaking a competitive partner selection through a negotiated procedure under the Public Contracts Regulations 2006. The first stage in that process is the Pre-Qualification Questionnaire (PQQ). This PQQ stage seeks high level information from prospective bidders on their technical capacity and the financial and economic strengths of their organisations. This stage is intended to make sure that potential bidders have the necessary capabilities and is designed to filter out those organisations that fail this high level assessment. The PQQ stage is not intended to assess scheme concepts or precise development costs, including any potential Council financial involvement. These issues are dealt with in further stages of the procurement process.

3.3 The proposed procurement timetable is set out below. This is intended as a guide only and the Council can vary the timetable if it chooses to.

Advert Published	w/c 2 nd July 2012
Cut-off date for questions	31 st August 2012
Deadline for PQQ returns	7 th September 2012 (12:00 noon)
Long list Notification and Invitation to Submit Outline Proposals Issued	October 2012
ISOP Submission	November 2012
Shortlist notification and Invitation to Submit Detailed Proposals Issued	January 2013
ISDP Submission	February 2013
Executive Approval of Development Partner	April 2013

3.4 In response to the publication of the Notice the Council received substantial interest in this opportunity and 68 technical packs were issued to interested parties before the submission deadline. It is the intention to proceed with the three selected bidders and examine options to merge the outline and detailed proposal stages of the procurement process. This would result in a saving in resources for the potential bidders, maintain competitive tension in the process and potentially allow for the earlier selection of a preferred development partner. To facilitate this there is a requirement to seek a clarification meeting with each of the selected developers to explore in more detail their appetite to be the Council's preferred development partner and undertake the Churchill Place scheme. Outside of the issues identified above in the individual assessments, there are other more detailed discussions required with each of the developers to understand their proposed approach to:-

- Fully understand the willingness by each of the three developers to make available the necessary finance and professional resources required to complete the competitive selection process and work up a detailed master plan and enter into the necessary agreements required to progress these important scheme proposals. These costs would normally be met by a developer from its own resources, although it is not unusual for developers to look to their public sector partners to provide some level of cost indemnity. LSH advise that there are a number of development schemes being undertaken across the country where the private sector is working closely with the public sector to share some of the costs associated with these significant upfront costs. The Council will need to verify how its preferred development partner will approach these significant initial works and substantial pre-development costs.
- The question of resources also needs to extend to the Council satisfying itself that the developer's pre-qualification submission is supported at the highest management level. Churchill Place is a complex scheme and the Council will need to be satisfied that it has a committed partner.
- It will be crucial to understand how each of the developers has anticipated the Council involvement in supporting the development process, in terms of making available affordable finance and/or development funding. It is important that the Council commits to proceed with a prospective partner with reasonable and realistic expectations. It would be prudent to establish that each of the developers is going to impose acceptable financial requirements on the Council.
- Churchill Place has both a substantial commercial and residential content. This might suggest that the Council's preferred development partner will require both commercial and residential funding partners. This again needs to be discussed in more detail.

- The Council will also use this opportunity to consider how the marketing process can be shortened to secure a development partner as soon as possible. This will also have a bearing on the budgets which each of the developers will have to make available. Whilst the Council should assume that developers will welcome a shortened tender process, developers will want to be assured that any change to the tender will not compromise the integrity of the process itself.

4. POLICY IMPLICATIONS

- 4.1 Work delivering the Town Centres Draft Development Programme is entirely consistent with Policy Objectives set out in Building A Better Bromley 2011 and Renewal & Recreation Portfolio Plan 2011/12. The work of the Renewal Group links to the Building a Better Bromley priorities by working towards the provision of Vibrant and Thriving Town Centres.

5. FINANCIAL IMPLICATIONS

- 5.1 In May 2012 Executive agreed that additional funding of £150k be set aside from uncommitted LPSA/LAA reward grant monies to fund specialist legal and development advice. This was required to support the appointment of a preferred development partner and bring to a conclusion a development agreement for Site G. This funding was combined with the balance of £83k remaining from the Town Centre Development Programme, to provide a total budget of £233k. To date £14k has been spent, leaving an uncommitted balance of £219k to fund specialist advice for the remaining part of the procurement process. When procuring the necessary specialist advice/consultancy services, Officers will ensure that Contract Procedure rule 8.5 is adhered to or the mandatory waivers obtained.
- 5.2 The replacement of the block paving with high quality granite in Orpington High Street is not expected to incur additional costs for the Council. It will be covered by the existing capital scheme resources.
- 5.3 The capital programme has £6.667m set aside for Bromley Town Centre developments funded by capital receipts, TfL monies, Outer London Fund resources and contributions from partner organisations and businesses.

Non-Applicable Sections:	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	DLR Pre-feasibility Report extract